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March 1, 2006

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

RE: New England Gas Company, D.T.E. 06-24

Dear Ms. Cottrell:

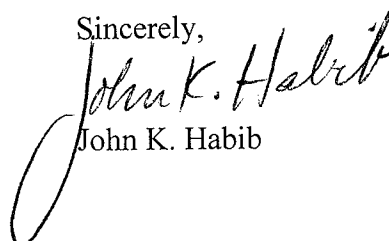
Please find attached an original and three (3) copies of the 2005 Annual Service Quality Report ("Report") for New England Gas Company ("Company"). The Report includes data and other information regarding the Company's annual service quality performance for the period ending December 31, 2005, as well as historical data supporting the Company's comparison of 2005 performance with its past performance. The Report is consistent with the Company's Service Quality Plan ("Plan") that was approved by the Department of Telecommunications and Energy ("Department") on April 17, 2002.

The Company will continue to track its service quality performance consistent with its Department-approved Plan during 2006 and update its benchmarks where appropriate.

If you have any questions, please call me at your convenience. Please also direct any correspondence to:

Kevin F. Penders, Esq.
Manager, Regulatory Relations
New England Gas Company
100 Weybosset Street
Providence, Rhode Island 02903
Direct: (401) 574-2212
Fax: (401) 751-0698
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Sincerely,


John K. Habib

2005 Annual Service Quality Report

March 1, 2006

Page 2 of 2

Enclosures

cc: Jody Stiefel, Hearing Officer
Joseph Rogers, Assistant Attorney General
Robert Sydney, General Counsel, DOER
Kevin Brannelly
George Yiankos
Kevin Penders

New England Gas Company

**2005 SQI
Annual Report
Section 1**

Form A

New England Gas Company

Fall River Service Area 2005 Form A

PENALTY PROVISIONS	Years in Database		Mean /		Performance in 2005		Comments
	(1)	Benchmark	Benchmark Deadband (2)	Offset			
Telephone Answering Factor %	4	36.15%	31.01%	41.29%	27.14%		The percentage of all telephone calls from customers that are handled within a 20 second time interval. Performance data for Year 2005 represents the Company's first year under an established benchmark for this measure.
Emergency Answering Factor %	4	NA	NA		93.97%		The percentage of emergency telephone calls from customers that are handled within a 20 second time interval.
Service Appointments Kept %	4	99.73%	99.27%	100.20%	99.20%		The percentage of service appointments met by the Company on the same day scheduled. Performance data for Year 2005 represents the Company's first year under an established benchmark for this measure.
Meter Reads %	8	81.65%	79.46%	83.85%	83.50%		
Consumer Division Cases	13	55.3	70.7	39.9	75.00		
Bill Adjustments (\$/1000 customers)	14	\$24.27	\$46.46	\$2.07	\$373.41		
Lost Time Accident Rate (# of acc/200,000 employee hours)	14	2.35	6.24	-1.54	5.34		
Response To Odor Calls (%)	5	95%	NA		99.65%		

(1) Includes 2005 performance data.

(2) Created by adding/subtracting the standard deviations to/from the mean. - Threshold at which penalties/offsets will be applied.

New England Gas Company

Fall River Service Area 2005 Form A

ADDITIONAL REPORTING	Years in Database	Historical		Benchmark Deadband	Performance in 2005	Comments
		Average/Mean	Penalty			
Restricted Work Day (# of acc/200,000 employee hours)	NA	NA	NA	NA	10.68	
Property Damage > 5K (#)	NA	NA	NA	NA	0	The Company did not have property damage over \$5,000 in 2005 in the Fall River Service Area.
Unaccounted for Gas (Mcf)	NA	NA	NA	NA	234,602	
Capital Expenditures	NA	NA	NA	NA	3,952,039	
Spare Component & Inventory Policy	NA	NA	NA	NA	NA	
Customer Surveys : Random Calls Residential Customers	NA	NA	NA	NA	5.02	Survey for residential customers who may or may not have recently contacted the Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied. How satisfied are you with the service you are receiving.
Customer Surveys : Recent Contacts	NA	NA	NA	NA	5.41	Survey for any customer who had recent contact with the Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied. How satisfied were you with the service you received.
Accidents	NA	NA	NA	NA	0	The Company did not have any accidents in the Fall River Service Area in 2005.
Customer Service Guarantees	NA	NA	NA	NA	0	The Company did not miss any scheduled service appointments and did not fail to notify customers of scheduled service outages in the Fall River Service Area in 2005.
Staffing Levels	NA	NA	NA	NA	124	

New England Gas Company

North Attleboro Service Area 2005 Form A

PENALTY PROVISIONS	Years in Database		Mean /		Benchmark Deadbands (2)		Performance in 2005	Comments
	(1)	Benchmark	Penalty	Offset				
Telephone Answering Factor %	3	NA		NA		24.77%		The percentage of all telephone calls from customers that are handled within a 20 second time interval. Performance data for Year 2005 represents the third annual data point. Therefore, a benchmark is established for the 2006 filing.
Emergency Answering Factor %	3	NA		NA		89.19%		The percentage of emergency telephone calls from customers that are handled within a 20 second time interval.
Service Appointments Kept %	4	99.50%	98.80%	100.21%		99.20%		The percentage of service appointments met by the Company on the same day scheduled.
Meter Reads %	4	82.87%	81.13%	84.61%		83.70%		
Consumer Division Cases	12	3.80	6.33	1.27		4.00		
Bill Adjustments (\$/1000 customers)	10	\$21.00	\$73.33	-\$31.34		\$0.00		
Lost Time Accident Rate (# of acc/200,000 employee hours) *	12	1.61	5.03	-1.82		0.00		
Response To Odor Calls (%)	5	95.00%		NA		98.70%		

(1) Includes 2005 performance data.

(2) Created by adding/subtracting the standard deviations to/from the mean. - Threshold at which penalties/offsets will be applied.

New England Gas Company

North Attleboro Service Area 2005 Form A

ADDITIONAL REPORTING	Historical			Performance in 2005	Comments
	Years in Database	Average/Mean	Benchmark Deadbands		
Restricted Work Day (# of acc/200,000 employee hours)	NA	NA	NA	0.00	
Property Damage > 5K (#)	NA	NA	NA	0	The Company did not have property damage over \$5,000 in 2005 in the North Attleboro Service Area.
Unaccounted for Gas (Mcf)	NA	NA	NA	6,619	
Capital Expenditures	NA	NA	NA	409,207	
Spare Component & Inventory Policy	NA	NA	NA	NA	
Customer Surveys : Random Calls Residential Customers	NA	NA	NA	5.06	Survey for residential customers who may or may not have recently contacted the Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied are you with the service you are receiving.
Customer Surveys : Recent Contacts	NA	NA	NA	5.16	Survey for any customer who had recent contact with the Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied were you with the service you received.
Reporting of Safety Accidents	NA	NA	NA	0	The Company did not have any accidents in the North Attleboro Service Area in 2005.
Customer Service Guarantees	NA	NA	NA	0	The Company did not miss any scheduled service appointments and did not fail to notify customers of scheduled service outages in the North Attleboro Service Area in 2005.
Staffing Levels	NA	NA	NA	4	

New England Gas Company

**2005 SQI
Annual Report
Section 2**

SECTION 2

Performance Review for Year Ending December 31, 2005

I. INTRODUCTION

In accordance with the directives of the Department of Telecommunications and Energy (the "Department"), the New England Gas Company (the "Company") hereby presents its annual service-quality performance report (the "Report") for the Fall River Service Area ("Fall River") and North Attleboro Service Area ("North Attleboro") (together, the "Service Areas"), based on service-quality data collected through December 31, 2005. This Report is filed pursuant to the provisions of the service-quality plans (the "SQ Plans") approved by the Department on April 17, 2002.

The Report provides: (1) the Company's 2005 performance data for each service quality category required by the Department to be tracked; (2) historical data supporting benchmarks for such categories; and (3) supporting information and reports on certain service quality measures required by the Department to be reported. The Company's 2005 performance benchmarks for certain categories were based on 10 years of data, and thus, the Company did not revise such benchmarks for purposes of measuring 2005 performance.¹ In instances where benchmarks have been established on less than 10 years of data, the Company updated such benchmarks for 2006, as required by the guidelines established by the Department in Service Quality Standards, D.T.E. 99-84 (2001) ("D.T.E. 99-84").²

In addition, the Company has compiled data for the past three years relative to Telephone Service Factor for North Attleboro, and thus, in this report the Company establishes a performance benchmark for this category which will be applied in the Company's 2006 annual filing. The Company will continue to establish and update its performance benchmarks as additional data become available.

¹ Those categories are: (1) Billing Adjustments (Fall River); (2) Lost Work Time Accident Rate (Fall River and North Attleboro); and (3) Consumer Division Cases (Fall River and North Attleboro).

² Those categories are: (1) On-Cycle Meter Readings (Fall River and North Attleboro); (2) Telephone Service Factor (Fall River); (3) Service Appointments Met (Fall River and North Attleboro); and (4) Billing Adjustments (North Attleboro).

II. PERFORMANCE MEASURES

A. Customer Service and Billing Performance Measures

1. Telephone Service Factor

Under Section II.A of the Company's SQ Plans, the Company is required to collect and report statistics on the percentage of telephone calls from customers that are handled within a 20-second time interval. Until the issuance of D.T.E. 99-84 on June 29, 2001, the Company had not compiled performance statistics on the telephone-response time for either Fall River or North Attleboro. As of September 2001, the Company began collecting data on the percentage of telephone calls handled within 20 seconds for Fall River, including both emergency and non-emergency calls. Tracking for North Attleboro non-emergency calls began in January 2002, and in June 2002 for emergency calls. Thus, as of December 31, 2005, there are three annual data points for North Attleboro's telephone service factor.

The Company's benchmark for 2005 for Fall River was 36.15 percent. Fall River's 2005 performance for this measure was 27.14 percent, which results in a 25 percent penalty. Accordingly, a penalty of \$11,816 for Telephone Service Factor was calculated for Fall River for this performance measure.

North Attleboro's 2005 performance for this measure was 24.77 percent. The Company is not eligible for a penalty or an offset related to this measure because a benchmark is being established in this filing for application in 2006.

2. Service Appointments Met on the Same Day Requested

Under Section II.B of the SQ Plans, the Company is required to gather data on the percentage of service appointments met by Company personnel on the same day requested. The Company began tracking performance on this measure as of July 1, 2001.

Fall River's 2005 benchmark for this measure was 99.73 percent. Fall River's 2005 performance for this measure was 99.20 percent, which results in a 25 percent penalty for this measure. Accordingly, a penalty of \$11,816 for Service Appointments Met was calculated for Fall River for this performance measure.

North Attleboro's 2005 benchmark for this measure was 99.50 percent and its performance was 99.20 percent, which is within one standard deviation of the benchmark. Accordingly, the Company did not incur any penalties or offsets relating to this measure.

3. On-Cycle Meter Readings

Under Section II.C of the SQ Plans, the Company is required to collect and report data on the percentage of meters that are actually read by the Company, monthly. The Company has established a benchmark for this measure of 81.65 percent for Fall River, which has been re-calculated for 2006 to include its 2005 performance for this measure. In addition, North Attleboro's benchmark, established in last year's filing, is 82.87 percent.

Fall River's 2005 performance for this measure was 83.50 percent, which is within 1 standard deviation of the benchmark for this measure. Accordingly, the Company is not eligible for a penalty or an offset related to this measure. As detailed in Section 3, Appendix H, the benchmark against which performance in 2006 will be measured will increase from 81.65 percent to 81.88 percent.

North Attleboro's 2005 performance for this measure was 83.70 percent, which is within 1 standard deviation of the benchmark for this measure. Accordingly, the Company is not eligible for a penalty or an offset related to this measure. As detailed in Section 3, Appendix H, the benchmark against which performance in 2006 will be measured will increase from 82.87 percent to 83.08 percent.

B. Customer Satisfaction Performance Measures

1. Consumer Division Cases and Billing Adjustments

Under Sections III.A and B of the SQ Plans, the Company is required to track the number of customer complaints for each Service Area filed with the Department's Consumer Division and the amount of billing adjustments per 1,000 residential customers based on data compiled and reported to the Company by the Department.

Fall River's benchmarks for each of these measures were fixed in 2003 and 2002, respectively. Accordingly, as set forth in Section 3, Appendix H, the benchmark for Consumer Division Cases relating to Fall River is fixed at 55.3 cases. The benchmark for billing adjustments for Fall River will remain fixed at \$24.27.

Fall River's 2005 performance for these measures was 75 cases and \$373.41 respectively. Fall River's 2005 performance for these measures results in a 25 percent penalty for Consumer Division cases and a maximum penalty for Billing Adjustments. Accordingly, penalties of \$4,726 for Consumer Division Cases and \$18,905 for Billing Adjustments were calculated for Fall River for these performance measures.

As set forth in Section 3, Appendix H, the benchmark for Consumer Division Cases relating to North Attleboro is fixed at 3.8 cases. North Attleboro's measure relative to Billing Adjustments was set at \$21.00 for calendar year 2005. As of the end of 2005, however, the Company has 10 years of historical data for billing adjustments in North Attleboro. Accordingly, the 2006 benchmark for this measure was recalculated to include North Attleboro's 2005 performance. Therefore, a fixed benchmark of \$18.90 is established for Billing Adjustments in North Attleboro, and will be applied in the Company's 2006 filing.

North Attleboro's 2005 performance for these measures was 4 cases and \$0.00 for billing adjustments, each of which is within 1 standard deviation of the respective benchmark for these measures. Accordingly, the Company did not incur any penalties or offsets relating to these measures.

C. Safety And Reliability Performance Measures

1. Response to Odor Calls

Under Section V.A of the SQ Plans, the Company is required to submit data on the percentage of Class 1 and Class II odor calls that are responded to within one hour. The Company began tracking this measure for the Service Areas in January 2001. The Department has set an annual benchmark for the Company of 95% performance for this measure.

The Company is pleased to report that its 2005 performance for this measure was 99.65% for Fall River and 98.70% for North Attleboro. This performance results in a maximum offset in Response to Odor Calls for both Fall River and North Attleboro. Accordingly, an offset of \$170,148 was calculated for Fall River and an offset of \$26,483 was calculated for North Attleboro for this performance measure.

2. Lost Work Time Accident Rate

Under Section V.B of the SQ Plans, the Company is required to report on the Incidence Rate of Lost Work Time Injuries and Illness per 200,000 Employee Hours (the "Lost Time Work Accident Rate"), as defined by the U.S. Department of Labor Bureau of Labor Statistics, for each Service Area. The benchmark for this measure for Fall River was established in 2002 using 10 years of data. The benchmark for North Attleboro was established in 2004 using 10 years of data.

The Company's benchmark for 2005 for Fall River was 2.35. Fall River's 2005 Lost Work Time Accident Rate was 5.34, which is within one standard deviation of the benchmark for this measure. Accordingly, the Company is not eligible for a penalty or an offset related to this measure.

The Company's benchmark for 2005 for North Attleboro was 1.61. North Attleboro's 2005 performance for this measure was 0.00, which is within one

standard deviation of the benchmark for this measure. Accordingly, the Company is not eligible for a penalty or an offset related to this measure.

New England Gas Company

**2005 SQI
Annual Report
Historical Data
Penalty / (Offset) Calculation**

Fall River Service Area 2005 Performance

Measures	Required Years	Actual Years	Historical Average	Std Dev	Penalty/Offset Weight	Maximum (3) Penalty	Results - 2005			
							Observ.	Variance	No. of Std Devs	Penalty / (Offset)
Customer Service and Billing										
% Calls Answered (1)	10	4	36.15%	5.14%	12.5%	\$47,263	27.14%	9.01%	1.7529	\$11,816
% Emergency Calls Answ.										
% Non-Emergency Calls Answ.										
% Service Appointments Met	10	4	99.73%	0.46%	12.5%	\$47,263	99.20%	0.53%	1.1522	\$11,816
% On-Cycle Meter Reads	10	8	81.65%	2.19%	10.0%	\$37,811	83.50%	1.85%	0.8447	\$0
Safety and Reliability										
Lost Work Day Accidents	10	14	2.35	3.89	10.0%	\$37,811	5.34	2.99	0.7686	\$0
% Class I & II Odor Calls (4)	NA	5	95%	NA	45.0%	\$170,148	99.65%	4.65%	NA	(\$170,148)
Consumer Division Statistics										
Consumer Division Cases	10	13	55.30	15.40	5.0%	\$18,905	75	19.70	1.2792	\$4,726
Billing Adjustments	10	14	\$24.27	22.20	5.0%	\$18,905	\$373.41	\$349.14	15.7270	\$18,905
Total					100.0%	\$378,107				(\$122,885)

Notes

- (1) Telephone statistic based on calls handled within 20 Seconds; includes abandoned calls.
- (2) Includes 2005 performance data.
- (3) Max penalty is incurred at 2 standard deviations from average
- (4) Penalty/ (Offset) equal to 25% of max apply to each percentage point below/above 95% up to the max penalty.
- (5) Two percent of calendar year 2005 T&D revenues .

Maximum Penalty / (Offset)

\$ 378,107

Fall River Service Area

Measures	Historic Results													
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
<u>Customer Service and Billing</u>														
% Calls Answered	40.29%	30.40%	37.76%											
% Service Appointments Met	99.20%	100%	100.00%											
% On-Cycle Meter Reads	83.60%	77.10%	82.87%	83.00%	82.00%	81.00%	82.00%							
<u>Safety and Reliability</u>														
Lost Work Day Accidents	0.63	2.27	0.63	2.72	0.00	0.65	0.66	0.00	2.11	0.63	1.93	1.71	13.09	
Class I & II Odor Calls	99.90%	100%	99.29%	96.30%										
<u>Consumer Division Statistics</u>														
Consumer Division Cases	101	65	50	50	74	72	78	55	45	56	44	29		
Billing Adjustments	\$43.92	8.55	0.00	12.65	54.96	11.09	22.26	3.16	30.42	15.73	71.57	11.39	9.45	

Notes

North Attleboro Service Area 2005 Performance

Measures	Required Years	Actual Years	Historical Average	Std Dev	Penalty/ Offset Weight	Maximum (3) Penalty	Results - 2005			
							Obsv.	Variance	No. of Std Devs	Penalty / (Offset)
Customer Service and Billing										
% Calls Answered (1)	10	3	NA		12.5%	\$7,356	24.77%	NA	NA	NA
% Emergency Calls Answ.										
% Non-Emergency Calls Answ.										
% Service Appointments Met	10	4	99.50%	0.70%	12.5%	\$7,356	99.20%	0.30%	0.43	\$ -
% On-Cycle Meter Reads	10	4	82.87%	1.74%	10.0%	\$5,885	83.70%	0.83%	0.48	\$ -
Safety and Reliability										
Lost Work Day Accidents	10	12	1.61	3.42	10.0%	\$5,885	0.00	1.61	0.47	\$ -
% Class I & II Odor Calls (4)	NA	5	95%	NA	45.0%	\$26,483	98.70%	3.70%	NA	\$ (26,483.23)
Consumer Division Statistics										
Consumer Division Cases	10	12	3.8	2.53	5.0%	\$2,943	4	0.20	0.08	\$ -
Billing Adjustments	10	10	\$21.00	52.34	5.0%	\$2,943	\$0.00	\$21.00	0.40	\$ -
Total					100.0%	\$58,852			\$	(26,483.23)

Notes

- (1) Telephone statistic based on calls handled within 20 Seconds; includes abandoned calls.
- (2) Includes 2005 performance data.
- (3) Max penalty is incurred at 2 standard deviations from average
- (4) Penalty/ (Offset) equal to 25% of max apply to each percentage point below/above 95% up to the max penalty.
- (5) Two percent of total T&D revenue in 2005.

Maximum Penalty / (Offset)

\$ 58,852

North Attleboro Service Area

Measures	Historic Results											
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
<u>Customer Service and Billing</u>												
% Calls Answered	38.52%	41.48%										
<u>% Service Appointments Met</u>												
% On-Cycle Meter Reads	98.70%	100%	99.81%									
	80.90%	83.51%	84.20%									
<u>Safety and Reliability</u>												
Lost Work Day Accidents	0.00	0.00	0.00	9.12	0.00	0.00	0.00	0.00	0.00	0.00	6.93	
Class I & II Odor Calls	100%	100%	100%	100%								
<u>Consumer Division Statistics</u>												
Consumer Division Cases	17	8	2	3	1	3	1	5	NA	6	2	7
Billing Adjustments	\$158.31	\$0.00	\$0.00	\$2.16	\$0.00	\$0.00	\$0.00	\$0.00	\$28.52			



New England Gas Company

**2005 SQI
Annual Report
Section 3**

SECTION 3

Other Reporting Requirements

I. Introduction

Pursuant to Section IV and VII of the SQ Plans, New England Gas Company is required to report, on an annual basis, information regarding the following indicators:

- Customer Surveys
- Restricted Work Day Rate;
- Unaccounted-for Gas;
- Damage to Company Property in Excess of \$5,000;
- Major Capital Investments in Transmission and Distribution Infrastructure;
- Spare Component Acquisition and Inventory Policy and Practice;
- and
- Staffing Levels.

The Company is also required to report annually on customer payments credited as a result of the Company's Customer Service Guarantee Program. This information is presented below and in the accompanying appendices to this section. In addition, the Company has included as Appendix H updated historical data that includes the Company's 2005 performance data, and updated benchmarks for 2006 performance, where benchmarks have not yet been fixed for the term of the Company's SQ plan.

II. Non-Penalty Performance Measures

A. Customer Surveys (Appendix A)

Under Section III.C of the SQ Plans, the Company is required to conduct and report the results of two consumer surveys regarding each Service Area: (1) a customer satisfaction survey of a statistically representative sample of residential customers; and (2) a survey of customers randomly selected from those customers who have contacted the Company's customer service

department within the year in which service is being measured. In 2005, the Company used an outside research firm to conduct both surveys for the Fall River and North Attleboro Service Areas. The results of the surveys are presented in Section 3, Appendix A.

B. Restricted Work Day Rate (Appendix B)

Pursuant to Section VII.A of the SQ Plans, the Company is required to report the Restricted Work Day Rate for each Service Area to the Department on an annual basis. The Restricted Work Day Rate is the Incidence Rate of Restricted Work Cases Per 200,000 Employee Hours, as defined by the U.S. Department of Labor, Bureau of Labor Statistics. The Company has provided this information in Section 3, Appendix B.

C. Unaccounted-For Gas (Appendix C)

Pursuant to Section VII.A of the SQ Plans, the Company is required to report its Unaccounted-for Gas for each Service Area to the Department on an annual basis. The Company's current and historical data on this measure for each Service Area is presented in Section 3, Appendix C.

D. Damage to Company Property (Appendix D)

Pursuant to Section VII.A of the SQ Plans, the Company is required to report, on an annual basis, property damage over \$5,000 for each Service Area that is reported to the Gas Pipeline Safety & Engineering Division. During 2005, neither Service Area had property damage over \$5,000. Accordingly, this information is reported in Section 3, Appendix D.

E. Capital Expenditures (Appendix E)

Pursuant to Section VII.D of the SQ Plans, the Company is required to report on an annual basis the capital investment approved and capital investment completed in the Company's transmission and distribution infrastructure. Information regarding the total number of projects and total expenditure for capital projects for each Service Area, along with supporting information, is presented in Section 3, Appendix E.

F. Spare Component and Acquisition Inventory Policy (Appendix F)

Pursuant to Section VII.E of the SQ Plans, the Company is required to report on an annual basis its policy for identifying, acquiring, and stocking critical spare components for its distribution and transmission system. The report is provided in Section 3, Appendix F.

G. Staffing Levels (Appendix G)

Pursuant to Section IV of the SQ Plans, the Company will provide staffing level information on an annual basis. The report is provided in Section 3, Appendix G.

III. Customer-Service Guarantees

Consistent with Section XI of the SQ Plans, the Company instituted a system of customer-service guarantees for the Fall River and North Attleboro Service Areas as of January 1, 2002. Specifically, the Company will provide customer guarantees for each Service Area in the amount of \$25.00 for each: (1) scheduled service appointments for which Company personnel are more than four hours late; and (2) scheduled service outages for which the Company has failed to notify affected customers. In 2005, the Company did not remit any guarantees to customers in either the Fall River or North Attleboro Service Areas.



New England Gas Company

Appendix A

**Customer Survey Results
2005**

New England Gas Company 2005 Customer Satisfaction Survey Results

Two groups of customers were surveyed:

1. Residential customers who may or may not have recently contacted the Company;
and
2. Any customer who had recent contact with the Company through the telephone
center or through a service call.

The samples for the survey were randomly selected to include customers in these two groups. The statistical significance of the survey was 95% for the Fall River Service Area, with a confidence level of ± 2.8 . The statistical significance of the survey was 95% for the North Attleboro Service Area, with a confidence level of ± 3.6 .

The following questions were asked of customers:

Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied are you with the service you are receiving from Fall River / North Attleboro Service Area.

Using a scale where 1 = very dissatisfied and 7 = very satisfied; how satisfied were you with the service you received from the customer service department of Fall River/North Attleboro Service Area?

The mean scores for Question 1 were 5.02 for the Fall River Service Area and 5.06 for the North Attleboro Service Area. The mean scores for Question 2 were 5.41 for the Fall River Service Area and 5.16 for the North Attleboro Service Area.

New England Gas Company

Appendix B

Restricted Work Day Data
YEAR ENDING DECEMBER 31, 2005

**Fall River
Service Area
Restricted Work Day**

Year	Restricted Work-Day Rate
1996	7.04
1997	10.36
1998	11.17
1999	4.54
2000	5.22
2001	5.44
2002	8.26
2003	4.55
2004	3.80
2005	10.68
10-YR Average	7.11

**North Attleboro
Service Area
Restricted Work Day**

Year	Restricted Work-Day Rate
1996	0.00
1997	0.00
1998	0.00
1999	0.00
2000	0.00
2001	0.00
2002	0.00
2003	0.00
2004	0.00
2005	0.00
10-YR Average	0.00



New England Gas Company

Appendix C

Unaccounted for Gas
YEAR ENDING DECEMBER 31, 2005

**Fall River
Service Area
Unaccounted Gas**

Year	Unaccounted Gas MCF
1996	60,495.9
1997	243,861.7
1998	118,355.6
1999	195,010.3
2000	530,629.6
2001	40,323.0
2002	374,568.5
2003	257,252.0
2004	327,659.0
2005	197,861.0
10-YR Average	234,601.7

**North Attleboro
Service Area
Unaccounted For Gas**

Year	Unaccounted Gas MCF
1996	6,384.0
1997	17,356.0
1998	19,597.0
1999	4,279.0
2000	8,487.0
2001	11,453.0
2002	7,772.6
2003	28,094.0
2004	38,214.0
2005	6,619.0
10-YR Average	14,825.6

New England Gas Company

Appendix D

Damage to Company Property
YEAR ENDING DECEMBER 31, 2005

New England Gas Company Damage to Company Property

Neither Fall River nor North Attleboro had damage to Company Property greater than \$5,000.

New England Gas Company

Appendix E

Capital Expenditures
YEAR ENDING DECEMBER 31, 2005
& Historical Information

Fall River Service Area
2005 Capital Expenditure Reporting

New England Gas Company

	<u>FALL RIVER</u>	<u>SOMERSET</u>	<u>SWANSEA</u>	<u>WESTPORT</u>	<u>DARTMOUTH</u>	<u>TOTAL</u>
ADDITIONS:						
303000 Misc. Intangible Plant (i.e.-Software)	450,063				\$	450,063
311000 Prod. - LPG Equipment	97,693					97,693
313000 General Equipment						-
320000 Other equipment						-
361000 Stor - Structures & Improvements	7,919					7,919
363000 Purification Equipment	25,117					25,117
375000 Dist - Structures & Improvements	92,539					92,539
376010 Cast Iron						-
376020 Steel Mains	4,195	823	1,651			6,670
376060 Dist.-District Regulators		4,047				4,047
376070 Plastic Mains	892,899	(135,202)	47,983	341,736		1,147,417
376090 Cathodic Protection						-
376110 Joint Seals	5,184					5,184
378000 Meas Reg Stat Equip	1,180	4,120				5,300
380000 Services	1,171,328	138,507	173,244	187,613	10,163	1,680,854
381000 New meters	130,802	873				131,674
382000 Meter installations	239,550	20,384	24,000	24,798		308,733
390000 Structures & Improvements	85,856					85,856
391000 Office equipment						-
391100 EDP equipment	146					146
394000 Gen. Shop & Garage Equipment	1,208					1,208
397000 Communication equipment						-
398000 Misc equipment	1,759					1,759
Total additions:	\$ 3,207,437	\$ 33,553	\$ 246,879	\$ 554,147	\$ 10,163	\$ 4,052,178
RETIREMENTS:						
320000 Other equipment					\$	-
375000 Dist - Structures & Improvements						-
376000 Mains	(7,762)	(8,967)	(2,780)			(19,509)
380000 Services	(33,589)	(16,818)	(12,927)	(7,330)		(70,664)
381000 New meters	(1,744)					(1,744)
382000 Meter installations	(7,119)	(107)	(296)	(261)		(7,784)
383000 Regulators		(37)	(195)	(5)		(238)
384000 Regulator Installation		(61)	(129)	(10)		(200)
390000 Structures & Improvements						-
391000 Office equipment						-
397000 Communication equipment						-
398000 Misc equipment						-
Total retirements:	\$ (50,214)	\$ (25,990)	\$ (16,327)	\$ (7,607)	\$ -	\$ (100,139)
Net Additions:	\$ 3,157,223	\$ 7,562	\$ 230,552	\$ 546,540	\$ 10,163	\$ 3,952,039

**Fall River Gas Company
Capital Expenditure Information
Transmission and Distribution Plant**

Booked Investment	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Intangible (Software)											
Generating Equipment											
Structures & Improvements											
Mains	21,602	437,459	523,222	431,697	168,498	532,197	114,199	783,033	13,605	(446,718)	450,063.00
Measure & Regulator	1,966,830	201,515	18,527	6,546	24,022	22,389	50,881	38,952	489,867	2,169,320	186,314
Services	2,519,165	1,461,230	1,325,328	996,711	988,392	1,132,359	636,801	1,400,616	60,389	27,259	1,154,067
Meters	233,894	135,807	135,390	285,991	16,329	86,159	7,532	1,047,489	1,047,489	2,510,444	1,880,854
Meter Installations	493,970	242,345	200,156	201,814	199,938	242,000	149,748	138,470	81,360	283,964	131,674
House Regulators	38,219	19,893	19,615	18,810	13,435	15,615	14,230	329,502	180,074	451,370	308,733
Joint Seals								11,160			
Other	3,817		3,983				31,071				5,184
sub-total	\$ 5,479,012	\$ 2,305,265	\$ 2,226,221	\$ 1,943,207	\$ 1,410,614	\$ 2,041,919	\$ 989,397	\$ 2,701,733	\$ 1,904,139	\$ 5,162,447	\$ 4,052,179.00
Retirements											
Mains											
Measure & Regulator											
Services											
Structures & Improvements											
Meters											
Meter Installations											
House Regulators											
Other											
sub-total	\$ (237,439)	\$ (229,452)	\$ (192,477)	\$ (100,130)	\$ (145,361)	\$ (128,230)	\$ (248,727)	\$ (105,175)	\$ (99,582)	\$ (1,215,306)	\$ (100,139)
Total	\$5,241,573	\$2,075,813	\$2,033,744	\$1,843,076	\$1,265,253	\$1,913,689	\$740,670	\$2,596,558	\$1,804,557	\$3,947,141	\$3,952,040
Facilities											
Added (feet)											
Wrought Iron and Steel	90	650			18	17,462	33,339	116	149		409
Plastic	42,598	20,449	26,389	23,116	20,058			9,659	44,408	17,502	34,060
Cast Iron											
sub-total	42,688	21,099	26,389	23,116	20,076	17,462	33,339	9,775	44,557	17,502	34,469
Taken up (feet)											
Wrought Iron and Steel					612						
Plastic											
Cast Iron											
sub-total					612						
Abandoned (feet)											
Wrought Iron and Steel	10,823	5,184	11,463	3,874	4,845	2,069	15,724	149	12,545	7,343	6865
Plastic	1,099	219	286		171	138	39	242	688	291	336
Cast Iron	654	3,113	4,743	178	299	404	13,260	1,416	3,861	1,035	6,178
sub-total	12,576	8,516	16,492	4,052	5,315	2,611	29,023	1,807	17,094	8,669	13,379
Net change	30,112	12,583	9,897	19,064	14,149	14,851	4,316	7,968	27,463	8,833	47,848

New England Gas Company

North Attleboro Service Area 2005 Capital Expenditure Reporting

<u>Additions:</u>		
303000	Misc. Intangible Plant (i.e.-Software)	\$82,058
376010	Cast Iron	
376020	Steel Mains	89
376060	Dist. - District Regulators	63,035
376070	Plastic Mains	(157,561)
376110	Dist. - Joint Seals	3,970
37800-01	Distribution Regulator Equipment	2,861
38000-01	Regular Services	371,345
38100-01	Meters	21,112
38200-01	Meter Installation	26,296
10700	Construction Work in Process	(3,998)
	Total additions	\$ 409,207
<u>Retirements:</u>		
376010	Cast Iron	-
38000-01	Regular services	-
38100-01	Meters	-
38200-01	Meters Installations	-
390000	Structures & Improvements	-
391000	Furniture & Equipment	-
392000	Transportation Equipment	-
	Total retirements	\$ -
	Net change	\$ 409,207

**North Attleboro Gas Company
Capital Expenditure Information
Transmission and Distribution Plant**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Booked Investment											
Additions:											
303 Intangible (Software)											
367 Mains	212,341	159,997	217,736	482,223	149,449	225,929	148,408	133,567	110,429	685,668	82,058
369 Measure & Regulator	4,200	8,817	37,289	1,805	-	-	-	1,098	760	(760)	(157,472)
380 Services	151,932	183,267	193,537	215,085	219,804	309,385	255,175	275,618	218,135	536,801	65,896
381 Meters	20,374	16,019	15,751	14,588	35,091	3,586	6,787	4,250	(11,438)	99,060	371,345
382 Meter Installations	51,258	50,341	81,183	68,636	20,345	58,833	31,537	18,807	8,770	68,027	21,112
107 Construction Work in Progress	-	-	-	-	-	-	-	-	-	-	26,296
sub-total	\$440,105	\$418,441	\$545,496	\$782,137	\$424,689	\$597,733	\$441,907	\$433,340	\$448,897	\$1,015,827	\$ (3,998)
Retirements											
367 Mains	(\$9,650)	(\$6,502)	(\$5,078)	(\$10,472)	(\$10,615)	(\$3,271)	(\$1,828)	(\$10,742)	\$0	(\$1,116)	-
369 Measure & Regulator	(400)	(811)	-	-	-	-	-	-	-	-	-
380 Services	(24,466)	(6,471)	(14,823)	(33,527)	(18,892)	(20,513)	(15,405)	(15,554)	-	-	-
381 Meters	(2,288)	(5,093)	(3,508)	(2,501)	(3,617)	(1,278)	(1,012)	(2,548)	-	(3,583)	-
382 Meter Installations	(1,200)	(1,000)	(1,150)	(642)	(500)	(4,200)	(3,577)	(3,737)	-	-	-
390 Structures & Improvements	-	-	-	-	-	-	-	-	-	(35,955)	-
392 Transportation Equipment	-	-	-	-	-	-	-	-	-	(9,248)	-
sub-total	(\$38,004)	(\$19,877)	(\$24,559)	(\$47,142)	(\$33,624)	(\$29,262)	(\$21,822)	(\$32,581)	\$0	(\$49,902)	-
Total	\$402,101	\$398,564	\$520,937	\$734,995	\$391,065	\$568,471	\$420,085	\$400,759	\$448,897	\$965,925	\$405,237.00
Facilities											
Added (feet)											
Welded Steel	-	2	-	-	-	-	-	-	-	-	-
Screw Steel	-	-	8	-	-	-	-	-	-	-	-
Plastic	6,704	7,224	12,658	21,364	7,466	7,373	9,844	6,559	4,251	20,072	11,309
Cast Iron	-	-	-	-	-	-	-	-	-	-	-
sub-total	6,704	7,226	12,666	21,364	7,466	7,373	9,844	6,559	4,251	20,072	11,309
Taken up (feet)											
Welded Steel	-	2,552	-	-	615	-	32	-	-	-	-
Screw Steel	-	122	2,205	3,015	2,088	517	2,510	-	-	-	-
Plastic	-	22	-	175	33	103	276	-	-	-	-
Cast Iron	-	-	755	937	1,438	1,344	-	-	-	-	-
sub-total	-	2,696	2,960	4,127	4,174	1,964	2,818	-	-	-	-
Abandoned (feet)											
Welded Steel	-	-	-	-	-	-	-	-	-	240	107
Screw Steel	1,826	-	-	-	-	-	-	570	-	-	-
Plastic	148	-	-	-	-	-	-	-	-	24	52
Cast Iron	3,067	-	-	-	-	-	-	434	-	1,572	-
sub-total	5,041	-	-	-	-	-	-	1,004	-	1,836	159
Net change	1,663	4,530	9,706	17,237	3,292	5,409	7,026	5,555	4,251	18,236	11,468



New England Gas Company

Appendix F

Spare Component & Acquisition Inventory Policy

YEAR ENDING DECEMBER 31, 2005

New England Gas Company

Spare Component and Acquisition Inventory Policy

The New England Gas Company ("Company" or "NEGas") manages all inventory items with the Oracle software application. The system provides the Company with one integrated Materials Management software system for each of the Company's service areas, which are located in Fall River, Massachusetts, North Attleboro, Massachusetts, Cumberland, Rhode Island, and Providence, Rhode Island. In addition, each location shares a common part numbering sequence for inventory items for both distribution and customer service requirements. As a result of corporate integration, the service areas operate all warehouses with the same policies and procedures within the Materials Management Department.

Stock Replenishment Practice

Best practices are incorporated into the inventory processes at the Company to assure critical and routine items are in stock. Inventory is conducted utilizing the A, B, C analysis method and inventory is ordered based on minimum, maximum and safety inventory¹ levels the Company has assigned to each individual item. The Company also has an Operations Purchasing Team comprised of the Purchasing, Materials Management, Construction and Maintenance, Engineering and Customer Service Departments which meet monthly to identify stock level changes in certain inventory items due to seasonal business changes (i.e., repair clamps in winter) and large projects. These combined processes allow NEGAs to operate with optimum inventory levels to support all construction maintenance and customer service requirements.

Integration of Inventory Items

In an effort to standardize the service areas within the Company's Materials Management Department the Company has made great strides in bringing the inventory to a more common platform. Items such as plastic pipe, meters, clamps, meter bars and other common industry items already standardized by the Company have allowed for more cost-effective procurement and the benefit of being able to draw common parts and critical items from one of four warehouses. The "Operations Purchasing Team" noted above also continues the integration of inventory items within the service areas and also evaluates new products and services offered in the industry.

Critical Inventory Items

The Engineering and Construction and Maintenance Departments have identified critical items for the Company's distribution system. Items such as large cutoffs, clamps and other parts are in stock at each warehouse for emergency purposes. If any critical inventory is used it is replaced immediately to assure the Company's emergency inventory items stay at the assigned levels. If the Engineering or Construction and Maintenance Departments identify new item(s) as critical, they will notify the Materials Management Department and the item(s) will be ordered and stocked. In addition, the Company networks with other utilities in the Northeast, New York and Pennsylvania as necessary in obtaining critical items as a last resort.

¹ Safety inventory: one inventory item above the Company's minimum inventory requirement.

With the processes and practices noted above, the Fall River and North Attleboro Service Areas have been successful in maintaining all necessary items for emergency and routine work. The continued integration of all the service areas will continue to standardize and reduce the number of critical items required for all locations. In addition, the Company will continue to monitor the best practices within the industry and implement them as necessary to assure that it maintains a credible and accurate inventory system.



New England Gas Company

Appendix G

Staffing Levels **YEAR ENDING DECEMBER 31, 2005**

**Fall River
Service Area
Employee Count**

Year	Number of Employees
1997	177
1998	172
1999	169
2000	170
2001	160
2002	145
2003	141
2004	136
2005	124

**North Attleboro
Service Area
Employee Count**

Year	Number of Employees
1997	11
1998	14
1999	13
2000	13
2001	10
2002	5
2003	4
2004	5
2005	4



New England Gas Company

Appendix H

2006 Benchmark Calculations

YEAR ENDING DECEMBER 31, 2005

Fall River Service Area
Service Quality Plan
2006 Benchmark Statistics

Year	Total Percent Calls <u>Answered</u>	Percent Service <u>Appt. Met</u>	Percent On-Cycle <u>Meter Reads</u>	Lost Work Day <u>Accidents</u>	Class I&II Odor <u>Calls</u>	Consumer Division <u>Cases</u>	Billing Adjustments <u>Per 1,000</u>
1992				13.09			\$9.45
1993				1.71		29	\$11.39
1994				1.93		44	\$71.57
1995				0.63		56	\$15.73
1996				2.11		45	\$30.42
1997				0.00		55	\$3.16
1998			82.00%	0.66		78	\$22.26
1999			81.00%	0.65		72	\$11.09
2000			82.00%	0.00		74	\$54.96
2001	< 1 year data	<1 year data	83.00%	2.72	96.30%	50	\$12.65
2002	37.76%	100.00%	82.87%		99.29%		
2003	30.40%	100.00%	77.10%		100.00%	50	
2004	40.29%	99.20%	83.60%		99.90%		
2005	27.14%	99.20%	83.50%		99.65%		
Mean	33.90%	99.60%	81.88%	2.35		FIXED 55.3	FIXED \$24.27
Std. Dev.	6.16%	0.46%	2.12%	3.89		15.4	\$22.20
Max. Penalty	21.58%	98.68%	77.64%	10.13		86.0	\$68.66
25% Penalty	27.74%	99.14%	79.76%	6.24		70.7	\$46.46
25% Offset	40.05%	100.06%	84.00%	-1.54		39.9	\$2.07
Max. Offset	46.21%	100.52%	86.12%	-5.43		24.6	-\$20.12

New England Gas Company

North Attleboro Service Area Service Quality Plan 2006 Benchmark Statistics

<u>Year</u>	<u>Percent Calls Answered</u>	<u>Percent Service Appt. Met</u>	<u>Percent On-Cycle Meter Reads</u>	<u>Lost Work Day Accidents</u>	<u>Class I&II Odor Calls</u>	<u>Consumer Division Cases</u>	<u>Billing Adjustments</u>
1993				6.93		7	
1994				0.00		2	
1995				0.00		6	
1996				0.00		NA	\$28.52
1997				0.00		5	\$0.00
1998				0.00		1	\$0.00
1999				0.00		3	\$0.00
2000				0.00		1	\$0.00
2001				9.12	100%	3	\$2.16
2002		99.81%	84.20%	0.00	100%	2	\$0.00
2003	41.48%	100.00%	83.51%	0.00	100%	8	\$0.00
2004	38.52%	98.70%	80.90%		100%		\$158.31
2005	24.77%	99.20%	83.70%		98.70%		\$0.00
Mean	34.92%	99.43%	83.08%	FIXED 1.61		FIXED 3.80	FIXED \$18.90
Std. Dev.	8.92%	0.59%	1.48%	3.42		2.53	\$49.79
Max. Penalty	17.09%	98.24%	80.12%	8.45		8.86	\$118.47
25% Penalty	26.01%	98.83%	81.60%	5.03		6.33	\$68.69
25% Offset	43.84%	100.02%	84.56%	-1.82		1.27	(\$30.89)
Max. Offset	52.76%	100.61%	86.04%	-5.24		-1.26	(\$80.67)